

State of Nevada
Gaming Control Board

Auditor's Name and Date

CPA MICS Compliance Checklist

SLOTS
General Walk-Through

Licensee _____ Review Period _____

NGC Regulation 6.090(9) requires the CPA to use "criteria established by the chairman" in determining whether a Group I licensee is in compliance with the Minimum Internal Control Standards (MICS). This checklist is to be used by the CPA in determining whether the licensee's slots operation is in compliance with the Slots MICS.

Date of Inquiry	Person Interviewed	Position

Checklist Completion Notes:

- 1) Unless otherwise instructed, examine a completed document for compliance for those questions referring to records/documentation as indicated and recalculate where appropriate. Indicate (by tickmark) whether the procedures were confirmed via examination/review of documentation, through inquiry of licensee personnel or via observation of procedures. Tickmarks used are to be defined at the bottom of each page.
- 2) All "no" answers require referencing and/or comment, and should be cited as regulation violations, unless the Board Chairman has granted a MICS variation or the question requires a "no" answer for acceptability.
- 3) "(#)" refers to the Minimum Internal Control Standards for Slots, Version 5.

Minimum Internal Control Standard Notes

- Note 1: The controls in effect for participation machines shall provide at least the level of control described by these standards.
- Note 2: One slot route operator's employee may be used to fill the employee requirements except in a supervisory capacity.
- Note 3: Any Board-authorized computer applications that provide controls comparable to the following standards will be acceptable.
- Note 4: The MICS for on-line slot metering systems also apply to cashless wagering systems when the cashless wagering system is used to monitor, accumulate, and record meter information from gaming devices.

Questions	Yes	No	N/A	Comments, W/P Reference
1. Has the licensee's written system of internal control for slots been read prior to the completion of this checklist to obtain an understanding of the licensee's slots operation?				
<u>Jackpot Payouts, Slot Fills, Short Pays, Cancelled Credit Payouts, Promotional Payouts, Drawings and Giveaway Programs</u>				
Note above 59: Promotional payouts are supplemental payouts which are not reflected in the slot machine payable.				

Verified per representation.
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Testing of fill forms and all types of payout forms is required for Questions 2 – 4. Select all payout and fill forms (with a maximum of 30 for payout forms and 15 for fill forms) per day for 2 days. Test days should be in non-consecutive months. Indicate test dates selected and results of testing.				
2. For jackpot payouts, short pays exceeding \$10, payouts of cancelled credits, and slot fills, is the payout form/documentation a minimum of two-parts? (59) And does the form/documentation include the following:				
a) Date and time? (59a)				
b) Machine number? (59b)				
c) Dollar amount of the cash payout or slot fill (both alpha and numeric), or a description of the personal property awarded? (59c) Note: The alpha amount is optional if another unalterable method is used for evidencing the amount of the payout or fill. (59c)				
d) Game outcome (including reel symbols, card values and suits, etc.) for jackpot payouts only? (59d) Note: Stating “multi-line payout” is adequate as the game outcome recorded on the jackpot payout form. (59d)				
e) Signatures of at least two employees verifying and witnessing the payout? (59e) Note: For approved computerized slot payout systems that initiate, validate, and print the dollar amount of the jackpot payout on the computer-generated form, only one employee signature verifying and witnessing the <u>jackpot</u> payout is required on the payout form for a jackpot payout amount of less than \$1,200. For jackpot payouts of \$1,200 or more and in other situations that allow an employee to input or change the dollar amount of the jackpot payout by more than \$1 in the computer system, two employees must be physically involved in verifying and witnessing the payout. (59e)				
f) Preprinted or concurrently-printed sequential number? (59f)				

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g) The type of payout (e.g., slot machine jackpot, fill, cancelled credits, short pay, external bonus, and external progressive)? (59g)				
3. Do payouts over a predetermined amount not to exceed \$50,000 require the signature and verification of a supervisor or management employee independent of the slot department and is the predetermined amount authorized by management, documented and maintained? (60) State the amount and who must authorize.				
4. For short pays of \$10 or less paid from an employee's bank, does the payout form or log, which can be a single-part form, include the date and time, the machine number, the dollar amount of the payout (both alpha and numeric), the signature of the employee making the payout and the reason for the payout (e.g., short pay)? (61a-e) Note: For the dollar amount of the payout, alpha is optional if another unalterable method is used for evidencing the amount of the payout. (61c)				
5. Are the conditions for participating in promotional payouts, including drawings and giveaway programs prominently displayed or available for patron review at the licensed location? (62) Verify by examination.				
Testing of promotional payout documentation is required for Question 6. Select all promotional payout documentation (maximum of 30 payouts) per day for 2 days. Test days should be in non-consecutive months. Indicate test dates selected and results of testing.				
6. Are promotional payouts that are either deducted from gross revenue, or are greater than or equal to \$100 and not deducted from gross gaming revenue, documented to include the following:				
a) Date and time? (63a)				
b) Machine number? (63b)				
c) Dollar amount of payout or description of personal property (e.g., jacket, toaster, car, etc.)? (63c)				

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d) Reason for payout (e.g., double jackpots, four-of-a-kind bonus, etc.)? (63d)				
e) Signature(s) of the following number of employees verifying, authorizing, and completing the transaction: two employees for all payouts of \$100 or more; one employee for payouts of less than \$100 that are deducted from gross gaming revenue? (63e1-2)				
7. If the promotional cash payout is less than \$100 and is not deducted from gross gaming revenue, is documentation created to support the bank accountability? (64)				
8. When a sequentially-numbered payout form is voided, does the employee completing the void clearly mark "void" across the face of the form, sign across the face of the form and submit all parts of the payout form to the accounting department for retention and accountability? (65)				
9. Are payouts that are recorded on a manual payout form, including jackpots, fills, cancelled credits, short pays in excess of \$10 and promotional payouts in excess of \$100, controlled and completed in a manner that precludes a custodian of funds from altering the dollar amount on all parts of the payout form subsequent to the payout and misappropriating the funds? (66) Describe the procedures that would prevent the custodian of funds from altering all parts of the payout form and misappropriating the funds.				

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<p>10. Are computerized and manual payouts, including jackpots, fills, cancelled credits, short pays in excess of \$10 and promotional payouts in excess of \$100, controlled and completed in a manner that precludes any one individual from initiating and producing a fraudulent payout form, obtaining the funds, forging signatures on the payout form, routing all parts of the form and misappropriating the funds? (67)</p> <p>Note 1: Acceptable procedures in meeting the requirements of this standard include the following:</p> <p>a) The funds are issued either to a second verifier of the payout (i.e., someone other than the individual who generated/requested the ticket) or to two individuals concurrently (i.e., the generator/requestor of the form and the verifier of the payout) and both individuals witness the payout, (67, Note 1) or</p> <p>b) The routing of one part of the completed form is under the physical control (e.g., dropped in a locked box) of an individual other than the individual that obtained/issued the funds and the individual that obtained/issued the funds must not be able to place the form in the locked box, (67, Note 1) or</p> <p>c) Some other procedure which provides at least the same level of control as provided by a) or b) above. (67, Note 1)</p> <p>Note 2: As referred to at MICS #59(e), for a computerized system, only one individual is required to witness, verify, and complete the <u>jackpot</u> payout transaction when the computer system validates, initiates, and prints the dollar amount on the form if less than \$1,200 on the form. For jackpot payouts of \$1,200 or more and in other situations that allow an individual to input or change the dollar amount of the jackpot payout by more than \$1 in the computer system, two individuals must be physically involved in verifying and witnessing the payout as described in Note 1, above. (67, Note 2)</p>				<p>Indicate method used in "Note 1" to accomplish compliance with this standard for each of the following types of payouts (indicate a, b or c):</p> <p>Computerized*: _____</p> <p>Computer Overrides: _____</p> <p>Manuals: _____</p> <p>If method "c" is used, write a description of the procedures used to ensure compliance.</p> <p>* - Pursuant to "Note 2", computerized <u>jackpots</u> can be witnessed, verified and completed by one person in some situations. Does the licensee allow one person to perform the computerized jackpot payout when "Note 2" applies? Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>. If yes, is the method indicated above only applied to computerized jackpots of less than \$1,200 and not applied to jackpot payout amounts changed by more than \$1 in the computer system? Yes <input type="checkbox"/> No <input type="checkbox"/></p>

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<p>11. For computerized systems, test the computer system, if possible, to further evaluate compliance with MICS #67. Do the results of any such tests indicate that the system achieves compliance with MICS #67. Document any test(s) performed and the results of the test(s) performed..</p> <p>Note: Consider performing any or all of the following tests in addition to any other tests that may be deemed appropriate:</p> <ul style="list-style-type: none"> a) After determining what individual(s) have access to the system to print a payout form, have this/these individual(s) attempt to generate a payout form for a slot machine that does not need one, if the system does not prevent this, you may need to evaluate it as a manual system. b) If the procedures for overrides rely on the system requiring two passwords or swipe cards being used at the machine, test the system to ensure that the system does require this. c) If one person is allowed to witness, verify, and complete a computerized <u>jackpot</u> pursuant to Note 2 of MICS #67, test the system to ensure that the system will not allow the jackpot amount to be changed by more than \$1. 				
<p><u>Slot Fill Cabinets</u></p> <p>The following questions apply when a slot fill cabinet containing funds for one hopper fill for only one specific slot machine is maintained. The slot fill cabinet is typically located next to the drop cabinet of the slot machine.</p> <p>Note: The questions within this heading apply when a fill is maintained in a slot fill cabinet that is used to replenish the slot machine hopper when empty. (Note before 68)</p>				
<p>12. Does a fill bag transfer from a slot fill cabinet to a slot machine's hopper require one of the following:</p>				
<p>a) The involvement of two persons and the completion of a fill form when the funds are placed in the slot machine's hopper? (68) or</p>				

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b) The involvement of only one person if an on-line system records and generates a report indicating the person's name, date, time and purpose for each opening of the slot fill cabinet door, and a computerized slot payout system initiates and validates the fill transaction and prints the dollar amount of the fill on the computerized payout form? (68, Note)				
13. Do slot fill cabinets contain funds for only one hopper fill for only one specific slot machine and is the dollar amount in the fill cabinet either capitalized in the accounting records as part of the slot machine hopper load account or is it included in the slot or cage department accountability? (69) Verify by examination.				
14. Do fill bag transfers from the cage or booth to the slot fill cabinet require the physical involvement of two persons, whether or not an on-line system monitors the access to the slot fill cabinet, to witness and verify the funds being placed into the slot fill cabinet? (70) Note: The transfer of fill bags from the cage or booth to the slot fill cabinet is not a fill transaction that requires the completion of a fill form. (70)				
15. Are all transfers of funds from the cage or booth to the slot fill cabinet documented to support the decrease in the accountability; and is the documentation signed by the individuals involved with the transfer, sent to the accounting department daily and retained for at least 7 days? (71) Verify by examination.				
16. If a fill form is used to document the transfers noted in the preceding question, is the fill form retained in accordance with Regulation 6.060? (71, Note)				
<u>Payment on Wagering Instruments</u> The following questions apply when a cashless wagering system is used to issue wagering instruments and to validate wagering instruments for acceptance at a slot machine bill validator or redemption by a cashier.				
17. Prior to making a payment on a wagering instrument, does an employee verify the validity of the instrument through the cashless wagering system and not by inserting the instrument into a slot machine bill validator? (72)				

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18. In the event of a system failure, do supervisory personnel approve the payment of wagering instruments in excess of an amount determined by management (not to exceed \$500) by initialing the wagering instrument and do they review the transaction history from the slot machine or any other similar method to verify the validity of the wagering instrument? (73) Indicate the supervisory personnel approving the payment and the dollar amount.				
19. Are wagering instruments paid during a period of system failure written/stamped with a paid designation, initialed by the cashier and noted with the date paid and are wagering instruments paid without system validation entered into the cashless wagering system when the system resumes operation? (74)				
20. Are the following procedures performed for lost, stolen, mutilated or expired wagering instruments of \$50 or more that cannot be validated by the cashless wagering system:				
a) Are they approved by supervisory personnel by initialing the wagering instrument, if provided by a patron? (75)				
b) Do supervisory personnel review the applicable slot machine's transaction history or other cashless wagering system records to verify the validity of the wagering instrument? (75)				
c) Is the payment of the wagering instrument entered into the cashless wagering system at the time the instrument is paid? (75)				
21. Are unredeemed wagering instruments only voided in the cashless wagering system by personnel independent of the slot department; and does the employee completing the void clearly mark "void" across the face of the form, sign across the face of the form and does the accounting department maintain the voided wagering instrument? (76)				
22. Are the following procedures performed at least weekly:				
a) Are wagering instruments and payout receipts redeemed at a wagering instrument redemption machine removed by at least two employees? (77a)				

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b) Do at least two employees reconcile the cash remaining in each wagering instrument redemption machine to the beginning cash placed in the machine less the wagering instruments and payout receipts redeemed? (77b)				
c) Are wagering instruments and payout receipts ultimately delivered to the accounting department? (77c)				
<u>Payout Receipt Systems</u> Note: A payout receipt system issues a receipt/report for cancelled credits that may not be rewaged and is therefore not a cashless wagering system. Some systems print a receipt only at the slot machine, while others only print a report at a printer station that is located within a cashier's area (including cage, booth, change banks, etc.) (Note before 78)				
23. Prior to making a payment on a payout receipt, does the cashier verify the validity of the payout through the payout receipt system? (78)				
24. In the event of a system failure, do supervisory personnel approve the payment of payout receipts in excess of an amount determined by management (not to exceed \$500) by initialing the payout receipt? (79) Indicate the supervisory personnel approving the payment and the dollar amount.				
25. Are payout receipts paid during a period of system failure without system validation entered into the payout receipt system when the system resumes operation? (80)				
26. For systems that generate payout receipts at the slot machine, is the payout receipt exchanged for funds and then placed in the cashier's bank for shift-end reconciliation purposes? (81b) Note: For these types of systems the validity of the payout need not be verified at the slot machine. (81a)				
27. Are the following procedures performed for systems that generate a report at a printer station in a cashier's area:				
a) Is the validity of the payout verified by examining the slot machine? (82a)				

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b) Is the slot machine not placed back into play through the use of an automatic or remote controlled reset device unless the cashier's area is immediately adjacent to the device and the validity of the payout can be determined by examining the slot machine from the cashier's area? (82b)				
c) Are the funds transported from the cashier's area to the slot machine by the employee that verifies the validity of the payout or does the employee verifying the validity of the payout escort the patron to the cashier's area so that the patron may receive the funds? (82c)				
d) Is the report used for shift-end reconciliation procedures? (82d)				
<u>Slot Department Funds Standards</u>				
28. Are all booths and change banks that are active during the shift counted down and reconciled each shift by two employees utilizing the appropriate accountability documentation and are unexplained variances documented and maintained? (83) Verify by examination.				
29. If applicable, does the cashless wagering system generate reports that indicate the dollar amount of active wagering instruments and wagering account transactions (i.e., deposits, withdrawals, and account adjustments) that should be reflected in each cashier's accountability, including the main cage, and are such reports utilized at the conclusion of each shift in reconciling the funds? (84) Verify by examination.				
30. Is the wrapping of loose slot booth and cage cashier coin performed at a time or location that does not interfere with the coin count/wrap process or the accountability of that process? (85)				
31. Are all transfers of funds documented? (86) Verify by examination.				
32. Is each even-money exchange recorded on a separate multi-part form and retained for at least 24 hours? (86a) Verify by examination. Note: A form is not required to be completed when the funds for even-money exchanges are transferred from one bank to another bank instantaneously (e.g., \$100 denomination bills are exchanged for \$20 denomination bills). (86a)				

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Questions	Yes	No	N/A	Comments, W/P Reference
33. Is each increase/decrease to the inventory with funds from the cage/vault recorded on a separate multi-part form with a preprinted or concurrently printed number and are all parts of the form sent to the accounting department daily and retained for at least 7 days? (86b) Verify by examination.				
34. Is bagged coin created by slot booth and carousel attendants distinguishable from bags created in other areas? (87)				
35. Are the contents of bagged coins, as referred to in the previous question, verified by an individual independent of the person who created the bagged coin as follows:				
a) On at least a daily basis is a sample of bagged coin in each applicable area weighed or counted and compared to the dollar amount indicated on the bag? (87a)				
b) Are all bags being used as a fill bag for a slot machine hopper fill weighed or counted prior to being placed into a slot machine hopper? (87b)				
c) Is any variance of 1% or more of the bag amount documented and investigated? (87c) Verify by examination.				
d) Is any fill bag with a dollar amount variance adjusted to the correct bag amount prior to being used as a fill for a slot machine hopper? (87d)				
Slot Machine Hopper Contents				
36. When machines are temporarily removed from the floor, are slot coin and currency drop and hopper contents removed from the slot machine and properly stored in a secured area to preclude the misappropriating of stored funds? (136) Describe procedures.				
37. When machines are permanently removed from the floor, are the slot coin and currency drop and hopper contents removed from the machine and properly stored in a secured area until they are counted and recorded by three employees in the count room with appropriate documentation being routed to the accounting department for proper recording and accounting for the initial hopper loads? (137) Verify by examination.				

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38. When machines are permanently removed from the floor is the general ledger account used to account for hopper loads reduced by the dollar amount of the initial hopper load amount, is the dollar amount of the initial hopper load not included in gross gaming revenue and is the slot revenue adjusted to reflect the difference between the hopper contents and the initial hopper load dollar amount? (137, Note) Verify by examination.				
Testing is required for Question 39. Examine one slot machine's circuit board and the results of the examination.				
39. Are the circuit boards for all slot machines with potential jackpots in excess of an amount determined by management (not to exceed \$100,000) locked or physically sealed, does the lock or seal necessitate the presence of an individual independent of the slot department to access the device game program EPROM and if a seal is used to secure the board to the frame of the gaming device, is the seal identifiable (e.g., pre-numbered)? (138)				
<u>Slot Machine Performance – Slot Machine Records</u>				
40. Are records maintained for each machine which indicate the date the machine was placed into service, the date the machine was removed from operation, the date the machine was placed back into operation, and any changes in machine numbers and designations? (95) Verify by examination.				
41. Are accurate and current theoretical hold worksheets maintained for each slot machine? (96) Verify by examination.				
42. Are the master game program number, par percentage, and the payable verified to the par sheet when initially received from the manufacturer? (97)				
43. Are records maintained for each machine which indicate the dates and type of changes made and the recalculation of the theoretical hold as a result of the changes? (98) Verify by examination.				
<u>Slot Machine Performance – Multi-Game and Multi-Game/Multi-Denomination Slot Machines and Slot Machines with Differences in Theoretical Hold Percentage exceeding a 4% Spread Between the Minimum and Maximum Theoretical Hold</u>				

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Note: Licensees with gross revenue of \$10 million or more for the 12 months ended June 30 th each year are required to have an "on-line slot metering system" installed by May 22, 2005, unless this requirement is waived by the chairman. (Regulation 6.045)				
Testing is required for Questions 44 – 47, as applicable. Select one multi-game slot machine and one multi-game/multi-denomination slot machine.				
44. For licensees that have not installed an "On-Line Slot Metering System" approved by the Board pursuant to Regulation 14 Technical Standard 3, is a record maintained for each multi-game or multi-game/multi-denomination machine that includes the following information:				
a) The machine number? (99a)				
b) The date the machine was placed on the floor? (99b)				
c) The initial payable numbers activated for play along with each payable's theoretical hold percentage? (99c)				
d) The simple average of the theoretical hold percentages of the paytables activated for play? (99d)				
e) The date of each change to the activated paytables, the theoretical hold percentage for each payable activated for play and the new simple average of the theoretical hold percentages of the paytables activated for play? (99e)				
45. For licensee that have not installed an "On-Line Slot Metering System" approved by the Board pursuant to Regulation 14 Technical Standard 3, are the following procedures performed:				
a) When multi-game or multi-game/multi-denomination machines are initially placed on the casino floor and when the active paytables within the slot machine are changed, is the theoretical hold percentage used in the slot analysis report a simple average of the theoretical holds, as set by the manufacturer, of all the active paytables of the slot machine? (100)				
b) Is the slot analysis report revised to indicate the new simple average theoretical hold percentage whenever a change is made to the active paytables within the slot machine? (100)				

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c) For multi-game and multi-game/multi-denomination machines, is a new machine number not assigned when paytables are changed within the same library of paytables? (100, Note 1)				
d) Is the theoretical hold percentage obtained for each active payable when multi-game/multi-denominational machines have different paytables for each denomination within a game that is activated for play? (100, Note 2)				
46. Does the licensee comply with MICS #'s 99 and 100 if they have installed an "On-Line Slot Metering System" approved by the Board pursuant to Regulation 14 Technical Standard 3, but the multi-game or multi-game/multi-denomination machines cannot communicate the coin-in amount by payable? (Note before 99)				
47. For licensees that have installed an "On-Line Slot Metering System" approved by the Board pursuant to Regulation 14 Technical Standard 3, that is connected and communicating with the slot machines to read and record the coin-in amount by payable or by wager type of the slot machine, is the system utilized to complete the following procedures that apply only to multi-game and multi-denomination/multi-game machines and for slot machines which have a difference in theoretical hold percentage which exceeds 4 percent for a single-coin play versus maximum-bet play: (101)				
a) Is the total coin-in meter recorded weekly? (101a)				
b) Are the coin-in meters for each payable within all games of the slot machine and the coin-in meters of the slot machines that contain the number of plays by wager (i.e., one coin, two coins, etc.) recorded quarterly? (101b) Note: The coin-in meter for each denomination within a game is recorded if a different payable (resulting in a different theoretical hold percentage) is activated for each denomination within a game. (101b)				

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<p>c) Is the theoretical hold percentage adjusted annually to a weighted average based upon the ratio of coin-in for each payable in play and based on the distribution of play by wager type during the year and is the new weighted average percentage included in the fiscal year end slot analysis report? (101c)</p> <p>Note: The adjusted theoretical hold percentage can be combined for machines with exactly the same payable mix throughout the year using a weighted average of the adjusted percentages. (101c)</p>				
Slot Machine Performance – Slot Machine Meters				
<p>48. Do all slot machines contain functioning coin-in, bill-in and voucher-out meters (hard or soft)? (102)</p> <p>Note: Voucher-out meters are only required when a payout receipt system is utilized. (102)</p>				
<p>49. Do all slot machines communicating with a Board-approved cashless wagering system not meeting the requirements of Regulation 14 Technical Standard 3 contain properly functioning meters required by the Regulation 14 Technical Standards if those meters are required by the licensee to be in compliance with these Minimum Internal Control Standards? (103)</p>				
<p>50. Are slot machine bill-in electronic (soft) meter readings recorded immediately prior to or subsequent to a slot currency acceptor drop and are coin-in electronic (soft) meter readings recorded at least weekly? (104) Verify by examination.</p> <p>Note: For licensee that have installed an “On-Line Metering System” approved by the Board pursuant to Regulation 14 Technical Standard 3, the meter readings are recorded and maintained at the time a drop box (coin or currency) is removed in conjunction with a slot drop as required by MICS #124. (104, Note 4)</p>				
<p>51. Regarding the meter readings mentioned in the previous question, do the following guidelines/procedures also apply:</p>				
<p>a) If the time between meter readings extends beyond one week, is it only to allow the reading to coincide with the end of an accounting period and is the extension for no longer than six days? (104, Note 1)</p>				

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b) If a licensee chooses to perform a slot coin or currency acceptor drop only once per month, are the coin-in electronic (soft) meter readings still recorded at least weekly? (104, Note 2)				
c) Are the coin-in and/or bill-in <u>hard</u> meters of a slot machine read and recorded only when the slot machine does not have electronic soft meters? (104, Note 3)				
52. If an employee manually records coin-in and bill-in meters, is that employee either independent of the coin/currency acceptor count teams or assigned on a rotating basis unless the in-meter readings are randomly verified quarterly for all slot machines and currency acceptors by someone other than the regular in-meter reader? (105)				
53. Are the coin-in and bill-in meter readings documented and maintained by slot machine? (106) Verify by examination.				
54. For payout receipt systems, are the slot machine voucher out electronic (soft) meter readings recorded when the slot machine is dropped and are the voucher out electronic (soft) meter readings documented and maintained by slot machine? (107) Verify by examination.				
55. Upon receipt of the meter reading summary, does the accounting department review all coin-in meter readings for reasonableness using pre-established parameters? (108)				
56. Prior to the final preparation of statistical reports, are the coin-in readings which do not appear reasonable reviewed with slot department employees and exceptions documented, so that meters can be repaired or clerical errors in the recording of meter readings can be corrected and is the final statistical report reviewed to ensure that the correct coin-in dollar amount has been recorded? (109) Verify by examination. Note: When the correct coin-in amount cannot be determined (i.e., coin-in is not recorded properly due to a slot machine meter or system failure), the preferred method for recalculating a reasonable coin-in amount is to use an average coin-in from similar machines for the period in question. An alternative method is to use the actual average coin-in for the machine in question over the past four weeks. (109)				

Verified per representation.

Verified per observation/examination.

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Questions	Yes	No	N/A	Comments, W/P Reference
<u>Slot Machine Performance – Slot Analysis Report</u>				
Testing is required for Questions 57 – 65, as applicable. Select the most recent year-to-date slot analysis report. Indicate the year-to-date slot analysis report selected.				
57. Is a report produced at least monthly showing month-to-date, year-to-date, and, if practicable, life-to-date actual hold percentage computations for individual machines and a comparison to each machine's theoretical hold percentage previously discussed? (110) Note: "Life-to-Date" represents at least a previous two-year cumulative basis. (110, Note 2)				
58. Regarding the actual hold percentage noted in the previous question:				
a) Does the actual hold equal the dollar amount of the slot machine's statistical win divided by the dollar amount of coin-in? (110, Note 1)				
b) Does the slot machine's statistical win represent all drop and payout activity occurring through the slot machine regardless of whether the activity is subject to gross gaming revenue taxation? (110, Note 1)				
c) Does the wagering activity recorded on the coin-in meter of the slot machines include all cashable and non-cashable credits wagered? (110, Note 1)				
d) Does the payout activity represent only slot machine payouts associated with the manufacturer's payable of the slot machine (i.e., jackpot payouts, as defined by Regulation 1.140, and fills recorded in the slot analysis report do not include promotional payouts and/or bonus payouts that are not reflected on the machine's payable and/or not included in the calculation of the slot machine's theoretical hold percentage)? (110, Note 1 & 114) Note: Promotional payouts and/or bonus payouts not reflected on the machine's payable and/or not included in the calculation of the theoretical hold percentage may be included in the statistical reports for the calculation of reportable win in the NGC tax returns. (114)				

Verified per representation.
Verified per observation/examination.

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<p>e) Does the drop activity recorded in the slot analysis report include all amounts placed into the coin or bill acceptor of the slot machine (e.g., free play wagering instruments accepted by the bill validator of the slot machine are included in the drop amount) or electronic money transfers made to the slot machine for wagering purposes? (110, Note 1)</p> <p>Note: As a result of (d) and (e) above, the slot machine statistical win recorded in the slot analysis report may not equal the amount of win reported on the NGC tax returns. (110, Note 1)</p>				
<p>59. Are the theoretical hold percentages used in the slot analysis reports within the performance standards set by the manufacturer and do they not include any other fees (e.g., a percentage payment to operators of inter-casino linked slot machines)? (111)</p> <p>Note: The optimum hold percentage may be used for video skill machines. (111, Note 2)</p>				
<p>60. Are machines with identical program (EPROM) numbers included in the slot analysis report using the same theoretical hold percentage and when a range is involved is the theoretical hold used consistent among games? (111, Note 1)</p>				
<p>61. Does the theoretical hold percentage used in the slot analysis report represent the theoretical performance of the slot machine's payable and does it exclude promotional payouts and bonus payouts not included in the slot machine's payable? (112) Describe how promotional payouts and bonus payouts are handled.</p>				
<p>62. Does each change to a slot machine's theoretical hold percentage, including progressive percentage contribution changes, result in that machine being treated as a new machine in the statistical reports (i.e., not commingling various hold percentages)? (113)</p> <p>Note: For multi-game and multi-game/multi-denomination machines, a new machine number is not assigned when paytables are changed within the same library of paytables. (113, Note 1)</p>				
<p>63. Is a new machine number not assigned when a new par percentage used in the statistical reports is the result of a correction of an inaccurate par percentage? (113, Note 2)</p>				

Verified per representation.

Verified per observation/examination.

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Questions	Yes	No	N/A	Comments, W/P Reference
64. Is a report produced at least monthly showing year-to-date combined slot performance that includes the following for each denomination and the multi-denomination category, if applicable:				
a) Floor par? (115a) Note: Floor pars are the sum of the theoretical hold percentages of all machines within a denomination weighted by coin-in contribution. (115a)				
b) Combined actual hold percentage? (115b)				
c) Percentage variance (b-a)? (115c)				
d) Projected dollar variance (i.e., coin-in times the percentage variance)? (115d)				
65. For the report mentioned in the previous question are multi-denomination machines grouped as a separate category from the other denominations in the slot analysis report and are the "International Gaming Salon" slot machines as addressed in MICS #88, if applicable, categorized within the appropriate denomination? (115)				
66. Are the statistical reports reviewed by both slot department management and management employees independent of the slot department on at least a monthly basis? (116)				
67. Are large variances between the theoretical hold and actual hold by machine and by denomination (including the multi-denomination category) investigated and resolved with the findings documented no later than 30 days after the generation of the statistical report? (117) Describe large variance criteria.				
68. For purposes of analyzing large variances between actual hold and theoretical hold percentages, is information to create floor par reports by similar machine type maintained? (118) Note 1: Type is defined as the manufacturer's program number. (118, Note 1) Note 2: This standard does not apply to slot machines that have multiple paytables with different theoretical hold percentages (i.e., multi-game and multi-denominational machines). (118, Note 2)				

Verified per representation.

Verified per observation/examination.

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Questions	Yes	No	N/A	Comments, W/P Reference
69. Is maintenance of the slot machine computer data files performed by a department independent of the slot department or is maintenance of the theoretical hold percentage for each slot machine performed by slot supervisory employees if sufficient documentation is generated and it is randomly verified by employees independent of the slot department on a monthly basis? (119) Indicate the department performing the maintenance. Note: "Slot machine computer data files" include the theoretical hold percentage, coin-in amount, drop amounts, payout amounts, fill amount and win amount for each slot machine. (119)				
70. Are updates to the slot machine computer data files to reflect additions, deletions or movements of slot machines performed at least weekly and are they done prior to the in-meter readings and the slot count process? (120)				
<u>EPROM Duplication</u>				
71. Does the licensee duplicate EPROMs or other gaming device program storage media approved by the Board? If yes, answer the questions within this section. If no, answer these questions as N/A.				
72. If EPROMs are duplicated, is the licensee a licensed manufacturer or has the licensee received approval to duplicate EPROMs? (Note 1 before 92 and Regulation 14.160)				
73. The EPROMs of some manufacturers may be protected by federal copyright laws. Does the licensee ensure that all applicable laws are complied with when duplicating EPROMs? (Note 2 before 92)				
74. Are procedures developed and implemented for the following:				
a) Copying from the master game program EPROM to another EPROM? (92a)				
b) Verification of duplicated EPROMs prior to being offered for play? (92b)				
c) Destruction, as needed, of EPROMs with electrical failures? (92c)				
d) Securing the EPROM duplicator and master game program EPROMs from unrestricted access? (92d)				

Verified per representation.

Verified per observation/examination.

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Questions	Yes	No	N/A	Comments, W/P Reference
75. Are EPROMs to be duplicated secured from unrestricted access immediately when received from the manufacturer and after being verified to the manufacturer's par sheet or are they tested by personnel independent of the slot department or outside vendor immediately prior to duplication to ensure that the EPROM is a Board-approved program that has not been tampered with? (Note 4 before 92)				
76. Are records maintained documenting the procedures required by MICS #92 and do the records include the date, the number of the machine in which a duplicated EPROM is placed, the number of the slot machine of the source EPROM when duplicated from an EPROM of another slot machine, the manufacturer, the program number, the reason for duplication, the disposition of any permanently removed EPROM and the GCB Lab approval number? (93a-h) Verify by examination.				
77. Do EPROMs placed in gaming devices include the date and information identical to that shown on the manufacturer's label? (94) Verify by examination.				
78. If gaming device program storage media approved by the Board, other than EPROMs, are duplicated, are controls in place that are equivalent to those in this section? (Note 3 before 92)				
<u>EPROM Testing</u>				
79. At least annually, does a minimum of one person who is independent of the slot department, or outside vendors, test a sample of slot machine game program EPROMs to ensure that the EPROMs have not been tampered with? (91) Describe procedures.				
<u>Computerized Player Tracking, Promotional Accounts, Promotion and External Bonusing Systems</u>				
Note: Compliance with the standards in this section are required for all computerized player tracking, promotional accounts, promotion and external bonusing systems. (Note before 163)				
80. Are the player tracking, promotional accounts, promotion and external bonusing systems secured so as to prevent unauthorized access (e.g., changing passwords at least quarterly and physical access to computer hardware, etc.)? (163)				

Verified per representation.

Verified per observation/examination.

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Questions	Yes	No	N/A	Comments, W/P Reference
81. Are the addition/deletion of points to player tracking accounts and the addition/deletion of cashable credits and noncashable credits to promotional accounts other than through actual slot machine play sufficiently documented (including substantiation of the reasons for the increases), are they authorized/performed by supervisory personnel of the player tracking, promotions, or slot department and is the supervisory authorization documented and randomly verified by accounting/audit personnel on a quarterly basis? (164)				
Note: This standard does not apply to the deletion of points related to inactive or closed accounts through an automated process. (164)				
82. Is the issuance of wagering instruments, other than through actual slot machine play or through the purchase of wagering instruments by the patron at a cashier's station, performed in one of the following methods: Verify by examination.				
a) Are they sufficiently documented and authorized by management personnel independent of the slot department? (165) , or				
b) When slot supervisory employees authorize the issuance of the wagering instruments, is sufficient documentation generated and do employees independent of the slot department on a quarterly basis randomly verify the issuance? (165)				
83. Are employees who redeem points for members not allowed to have access to inactive or closed accounts without supervisory personnel authorization? (166)				
84. Is patron identification required when redeeming points without a slot card? (167)				
85. Are changes to the player tracking system parameters, such as point structures and employee access, performed in one of the following two methods:				
a) Are they performed by supervisory employees independent of the slot department? (168) , or				
b) If slot supervisory employees perform them is sufficient documentation generated and do supervisory employees independent of the slot department on a monthly basis randomly verify the propriety of the changes? (168)				

Verified per representation.

Verified per observation/examination.

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Questions	Yes	No	N/A	Comments, W/P Reference
86. Are changes to the promotional accounts, promotion and external bonusing system parameters, such as the awarding of bonuses, the issuance of cashable credits, noncashable credits, wagering instruments and employee access, performed in one of the following two methods:				
a) Are they performed by supervisory employees independent of the slot department? (169) , or				
b) If slot supervisory employees perform them is sufficient documentation generated and do supervisory employees independent of the slot department on a monthly basis randomly verify the propriety of the changes? (169) Verify by examination.				
87. Are all other changes to the player tracking, promotional accounts, promotion and external bonusing systems appropriately documented? (170)				
<u>Contests/Tournaments</u>				
Testing two contests/tournaments is required. Contests/tournaments should be in non-consecutive months. Indicate contests/tournaments selected and results of testing.				
88. Are all contest/tournament entry fees and prize payouts (including mail transactions) summarized on an accountability document on a daily basis? (171)				
89. When contest/tournament entry fees and payouts are transacted, are they recorded on a document which contains:				
a) Patron's name? (172a)				
b) Date of entry/payout? (172b)				
c) Dollar amount of entry fee/payout (both alpha and numeric)? (172c)				
d) Signature or initials of the individual completing the transaction? (172d)				
e) Name of contest/tournament? (172e)				
90. Are the contest/tournament entry fees and payouts summarized and posted to the accounting records on at least a monthly basis? (173)				

Verified per representation.

Verified per observation/examination.

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Questions	Yes	No	N/A	Comments, W/P Reference
91. Are contest/tournament rules included on all entry forms/brochures and prominently displayed or available for patron review at the licensed location? (174)				
92. Do the rules mentioned in the preceding question contain at least the following:				
a) All conditions that patrons must meet to qualify for entry into, and advancement through, the contest/tournament? (174a)				
b) Specific information pertaining to any single contest/tournament, including the dollar amount of money placed into the prize pool? (174b)				
c) The distribution of funds based on specific outcomes? (174c)				
93. Are the results of each contest/tournament, including the name of the event, date(s) of the event, total number of entries, dollar amount of entry fees, total prize pool, and the dollar amount paid for each winning category, recorded and available for patrons to review? (175)				
94. Is the name of each winner recorded and maintained, but not made available to the participants unless authorized by management personnel? (175)				
95. Are the aforementioned contest/tournament records maintained for each event? (176)				
<u>Slot Wagering Account Transfers</u> Note: A wagering account transfer is a transfer of funds between an established patron's wagering account and a slot machine. (Note before 151)				
96. In order to facilitate the reconciliation required by MICS #159(b), which is addressed in a subsequent question, are slot wagering accounts established at one area of accountability (e.g., main casino cage) and are all subsequent deposits/withdrawals and account adjustments transacted at the same area of accountability? (151)				
97. For each wagering account established, does an employee:				

Verified per representation.

Verified per observation/examination.

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Questions	Yes	No	N/A	Comments, W/P Reference
a) Require the patron to personally appear at the licensee's premises? (152a)				
b) Examine in the patron's presence, the patron's valid driver's license or other reliable identity credential? (152b)				
c) Record the following: Verify by examination.				
1) The patron's name or other unique identifier of the patron, if requested by the patron? (152c1)				
2) The type of identification credential, the credential number, the expiration date of the credential, and the date the credential was examined? (152c2) Note: A patron's driver's license is the preferred method for verifying the patron's identity. A passport, non-resident alien identification card, other government issued identification credential or another picture identification credential normally acceptable as a means of identification when cashing checks, may also be used. (152c2)				
3) The dollar amount of the patron's initial deposit? (152c3)				
4) The patron's slot wagering account number? (152c4)				
5) The date the patron's account is opened? (152c5)				
98. Are procedures in place to provide a secure method for a patron to access a wagering account? (153) Briefly describe the procedures.				
99. Prior to a patron making a cash withdrawal from a wagering account, does the cashier verify the identity of the patron and the availability of funds through the cashless wagering system? (154)				
100. Are deposits/withdrawals, other than through actual slot machine play, evidenced by at least a two-part document, with one part remaining in the cashier's area and the other part given to the patron when a deposit or withdrawal is made and are adjustments to the patron's wagering account also documented and maintained? (155)				

Verified per representation.

Verified per observation/examination.

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Questions	Yes	No	N/A	Comments, W/P Reference
101. Does the document addressed in the previous question include the following information: Verify by examination.				
a) The same document number on all copies? (156a)				
b) The patron's name or other unique identifier of the patron, account number and signature? (156b) Note: Adjustments to the wagering account do not require the patron's signature. (156b)				
c) The date of deposit/withdrawal or account adjustment? (156c)				
d) The dollar amount of the deposit/withdrawal or account adjustment? (156d)				
e) The nature of the deposit/withdrawal (e.g., cash, check, chips)? (156e)				
f) The reason for an adjustment to a wagering account, if applicable? (156f)				
g) The signature of the employee handling the transaction? (156g)				
102. Are adjustments to wagering accounts made by personnel authorized by management? (157) Indicate who can perform this function.				
103. Are procedures established to maintain a detailed record for each patron's wagering account that includes the dollar amount of all funds deposited and withdrawn specifically to or from the slot wagering account, account adjustments made, and the transfers to/from slot machines and is this record made available to the patron upon request? (158) Verify by examination.				
104. Is the total of all slot wagering accounts reconciled by employees of the designated area of accountability in the following manner:				
a) For each shift, is a report generated from the cashless wagering system that details the beginning and ending balance of wagering accounts, adjustments to wagering accounts, and the wagering account transfers to and from slot machines? (159a) Verify by examination.				

Verified per representation.

Verified per observation/examination.

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Questions	Yes	No	N/A	Comments, W/P Reference
b) Are the ending and beginning balances (per the system) reconciled to the hard copy deposit/withdrawal documentation, account adjustment documentation, and the wagering account transfers (per the system)? (159b)				
105. Are all slot wagering account deposits/withdrawals, account adjustments, and wagering account transfers to/from slot machines summarized in total on an accountability form on at least a per shift basis? (160) Verify by examination.				
106. Is slot department wagering account revenue (transfers to slot machines less transfers from slot machines) summarized and posted as a single line item on an accountability form on at least a daily basis? (161) Verify by examination.				
<u>Slot Electronic Funds Transfers</u> Note: A debit instrument electronic funds transfer is a transfer of funds from an external financial institution to a slot machine through the use of a cashless wagering system. (Note before 162)				
107. Is only one specific bank account used to record all debit instrument electronic funds transfers into slot machines and is this account not used for any other types of transactions? (162) Verify by examination.			X	As of the date of this checklist, electronic funds transfers are not allowed pursuant to Regulations 14.260 and 14.290.
<u>International Gaming Salon</u>				
108. Does the licensee operate an international gaming salon with slot machines? (Regulation 5.200) If yes, answer the questions within this heading. If no, answer these questions as N/A.				
109. Is a salon gaming slot report (independent from the report required in MICS #110) produced at least monthly showing month-to-date, year-to-date, and if practicable, life-to-date actual hold percentage computations for individual machines in the salon gaming area and a comparison to each machine's theoretical hold percentage and is the slot machine performance data related to the international gaming salon reflected in both the slot analysis reports for the casino as a whole and in a separate salon gaming slot report? (88) Verify by examination. Note: "Life-to-Date" represents at least a previous two-year cumulative basis. (88)				

Verified per representation.

Verified per observation/examination.

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Questions	Yes	No	N/A	Comments, W/P Reference
110. Is the actual hold for each machine in the salon gaming area compared to the applicable theoretical hold each month and are large variances between the theoretical hold and actual hold by machine investigated with the results of the investigations documented and retained by the end of the following month? (89)				
111. For all variances that are not satisfactorily explained through other means, do the investigations mentioned in the previous question include a review of surveillance recordings of slot play in the gaming salon and/or a review of the transaction reports required by Regulation 5.200(4)(b)? (90) Note: Regulation 5.200(4)(b) requires the on-line metering system to provide transaction reports detailing all wagers made and the resulting payouts for each patron during each gaming session.				
<u>Slot Accounting/Audit Procedures</u>				
Review of documentation evidencing the performance of slot accounting/audit procedures is required. Select the appropriate documentation to determine that all required procedures are being performed.				
112. Are the slot audit procedures conducted by someone independent of the slot operation? (177)				
113. For a computerized player tracking system, does an accounting/audit employee perform the following procedures at least one day per month:				
a) Is all points-redeemed documentation footed and traced to the system-generated totals? (178a)				
b) Is all points-redeemed documentation reviewed for propriety? (178b)				
114. At least annually, are the following procedures performed for all computerized player tracking, promotional accounts, promotion and external bonusing slot systems (in-house and vendor systems):				

Verified per representation.
Verified per observation/examination.

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Questions	Yes	No	N/A	Comments, W/P Reference
a) A review by personnel independent of the individuals that set up or make changes to the system parameters to determine that the configuration parameters are accurate and that the configuration parameters have not been altered without appropriate management authorization (e.g., player tracking system – verify the accuracy of the awarding of points based on the dollar amount wagered)? (179)				
b) If possible, a system test to further verify the accuracy of the configuration parameters (e.g., player tracking system – wager at the slot machine to verify the accuracy of the amount of points awarded)? (179)				
c) If applicable, are the test results mentioned in the preceding question documented and maintained? (179)				
115. For weigh scale interface systems and currency counter interface systems, for at least one drop period per month do accounting/audit employees compare the totals on the weigh tape/currency counter report to the system-generated weigh/currency count recorded in the slot statistical report and are any discrepancies noted resolved prior to the generation and distribution of the slot count reports and the slot analysis report? (180)				
116. For licensees that have not installed an “On-Line Metering System” approved by the Board pursuant to Regulation 14 Technical Standard 3, at least weekly do accounting/audit employees compare the bill-in meter reading to the total currency acceptor drop amount for the week and are discrepancies as defined in MICS #182, which is addressed in the next question, resolved prior to the generation/distribution of the slot statistical reports? (181)				
117. For licensees that have not installed an “On-Line Slot Metering System” approved by the Board pursuant to Regulation 14 Technical Standard 3, is follow-up performed by accounting/audit personnel for any one machine having an unresolved variance in excess of \$200 between the actual drop and the bill-in meter reading and are the results of the investigation documented and maintained? (182)				
118. Are the following procedures performed for payout receipt systems:				

Verified per representation.

Verified per observation/examination.

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Questions	Yes	No	N/A	Comments, W/P Reference
a) For each drop period, are the actual payout receipts issued per the system report reconciled to the slot machine voucher out meter by slot machine? (183)				
b) Is follow-up performed for any one machine having any unresolved variance between actual payout receipts issued and the voucher out meter reading? (183)				
c) Is the follow-up performed and the results of the investigation documented and maintained? (183)				
119. For licensees that utilize an on-line slot metering system (including licensees that use a system only to obtain coin-in readings), are at least monthly procedures performed to verify that the on-line slot metering system is transmitting, receiving, and recording data from the slot machines properly for the following meters, as applicable to their operation: Coin-in (includes the coin-in by payable for multi-game and multi-denomination/multi-game slot machines, and the coin-in by wager type for machines which have a difference in theoretical payback percentage which exceeds 4 percent for a single-coin play versus maximum-bet play); Electronic Promotion Meters (cashable in, cashable out, non-cashable in and non-cashable out); Wagering Account Transfer In; Wagering Account Transfer Out; and Electronic Funds Transfer In? (184) Indicate the meters reviewed. Note: As of the date of this checklist, electronic funds transfers are not allowed pursuant to Regulations 14.260 and 14.290. Therefore, this standard is currently only applicable to the other meters mentioned in this standard.				
120. Do the monthly procedures mentioned in the previous question include the following:				
a) Is a sample of at least 3 percent of the slot machines connected to the on-line monitoring system selected for review and is each slot machine interfaced with the on-line slot metering system reviewed at least once during a two-year calendar period? (184a)				
b) Are records maintained for each two-year calendar period indicating the date each slot machine was reviewed? (184a)				

Verified per representation.

Verified per observation/examination.

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Questions	Yes	No	N/A	Comments, W/P Reference
c) For each slot machine selected are the electronic (soft) meters manually read and recorded? (184b)				
d) For on-line slot metering systems that read the specific value indicated on the slot machine meters, are the following procedures performed:				
1) Are the slot machine meter amounts compared to the meter amounts per the on-line slot metering system to determine that the amounts agree? (184c)				
2) Are the manual readings compared to the system-generated readings and are all variances documented? (184c)				
e) For on-line slot metering systems that have their own meters, are the following procedures performed:				
1) Are two readings of the slot machine readings taken to determine that both the system meters and the slot machine meters are incrementing by the same amount? (184d)				
2) Are the manual readings compared to the system-generated readings report and are all variances documented? (184d)				
f) Are the results of investigations into all variances documented by machine? (184e)				
Note: MICS #185, see below, only applies to licensees that have installed on "On-Line Slot Metering System", approved by the Board pursuant to Regulation 14 Technical Standard 3, that reads and records the coin-in amount by payable of the slot machine and by wager type of the slot machine.				
121. For multi-game and multi-denomination/multi-game machines and for machines that have a difference in theoretical payback percentage that exceeds 4 percent for a single-coin play versus maximum-bet play, are the following procedures performed quarterly:				
a) Are the combined coin-in dollar amounts by payable and by wager type reconciled to the total coin-in dollar amount of the slot machine? (185)				

Verified per representation.

Verified per observation/examination.

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Questions	Yes	No	N/A	Comments, W/P Reference
b) Are unreconciled variances investigated with slot department employees and are exceptions documented so that meters can be repaired or clerical errors in the recording of meter amounts can be corrected? (185)				
122. Each month do accounting personnel prepare documentation that supports the dollar amount of expired wagering instruments that are included in the computation of revenue in the NGC tax returns? (186) For one month review the documentation to verify that the proper dollar amount of expired wagering instruments has been included in the computation of revenue in the NGC tax return. Indicate the month/year reviewed and the results of the review.				
123. If gross revenue, as indicated on the NGC tax returns and the slot analysis reports, is reported on an accrual basis (e.g., currency/wagering instrument drop is computed using bill-in/voucher-in meters for those machines not dropped at the end of the month), are the following procedures performed:				
a) Is a computerized on-line slot metering system that has been approved according to the technical standards established by the Board used in compliance with the on-line slot metering systems standards? (187a)				
b) Is a report maintained that supports the end-of-month accrued metered drop dollar amount by machine? (187b)				
c) Is an investigation performed for any currency acceptor with a variance in excess of one percent or \$100, whichever is greater, between the actual drop and the bill-in/voucher meter reading? (187c)				
d) Is an investigation performed for any one machine having a variance in excess of one percent or \$100, whichever is greater, between the actual coin drop and the coin drop meter readings? (187d)				
e) Are the NGC tax returns and the slot statistical reports adjusted the following month for variances between the reported/recorded accrued drop dollar amounts and the actual drop dollar amounts? (187e)				

Verified per representation.

Verified per observation/examination.

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Questions	Yes	No	N/A	Comments, W/P Reference
f) At least monthly, do accounting personnel prepare a reconciliation report for all slot machines in total that reflects reported NGC-31 drop as follows: actual drop for the current period plus accrued metered drop for the current period minus accrued metered drop from the previous period? (187f)				
124. At least annually, do accounting/audit personnel randomly verify that EPROM changes resulting in a change in par percentage or the assignment of a new machine number are properly reflected in the slot analysis reports? (188)				
125. Do accounting/audit employees review exception reports for all computerized slot systems on a daily basis for the propriety of transactions and unusual occurrences and are all noted improper transactions or unusual occurrences investigated with the results being documented? (189)				
126. Are the following procedures performed by accounting personnel for each day:				
a) Are the following slot payout (including promotional payouts) and fill forms reviewed for proper completion:				
1) All computer payout and fill forms prepared as a result of a computer system override? (190a1)				
2) All manual payout and fill forms? (190a2)				
3) For one day each month all computer and manual payout and fill forms? (190a3)				
4) All voided sequentially-numbered payout forms? (190a4)				
b) Are the slot payout and fill forms reconciled as follows:				
1) For computer systems, for at least one day each month are the payout and fill forms footed and compared to the total amount recorded in the computer system payout and fill reports? (190b1)				

Verified per representation.

Verified per observation/examination.

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Questions	Yes	No	N/A	Comments, W/P Reference
2) For a manual payout process, are the payout and fill forms routed by the witness of the transaction footed and traced to the total payout and fill amounts recorded by the cashier in their accountability document? (190b2)				
3) If the reconciliation results in a variance, is an investigation performed to determine whether all forms are accounted for with the investigation being documented? (190b3)				
4) Are the accounting records used to prepare the NGC tax return verified to ensure that the correct total payout and fill amounts are recorded? (190b4)				
c) For one cashier, are the wagering instruments and/or payout receipts redeemed footed and are the totals traced to the totals recorded in the system and to the amount recorded in the applicable cashier's accountability document? (190c)				
d) Are all parts of the form used for increases/decreases to inventory (includes slot booths, change banks, and any other slot accountability areas) reconciled and are any variances noted investigated with the results of such investigations being documented? (190d)				
e) Are the following procedures performed using the count document completed by the count team members:				
1) Is the dollar amount of the coin/currency drop proceeds on the count sheet reconciled to the dollar amount recorded in the applicable accountability document using, if applicable, the transfer forms indicating all transfers in/out of the hard and currency acceptor count room, both during and at the end of the count, and are any variances noted investigated and documented? (190e1)				
2) Are the correct totals of coin/currency drop proceeds on the count sheet verified to the amount recorded in the accounting records used to prepare the NGC tax returns? (190e2)				
3) Are the documents examined for propriety of signatures? (190e3)				

Verified per representation.

Verified per observation/examination.

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Questions	Yes	No	N/A	Comments, W/P Reference
f) Are all slot promotional coupons redeemed at booths, cages, etc. (i.e., coupons that cannot be accepted by a slot machine for wagering purposes) reviewed to ensure that they are properly canceled to prevent improper recirculation? (190f)				
g) Are issued, voided, and redeemed wagering instruments reconciled to the unpaid and expired wagering instruments dollar amount using the reports produced by the system and are any variances noted investigated and documented? (190g)				
h) Is the dollar amount of wagering account deposit, withdrawal and account adjustment forms reconciled to the dollar amount recorded on the accountability form and the cashless wagering system reports? (190h)				
i) Is the dollar amount of debit instrument electronic funds transfers as recorded in the cashless wagering system reports reconciled to the dollar amount processed and recorded by the outside entity and to the dollar amount indicated in the bank account records? (190i)			X	As of the date of this checklist, electronic funds transfers are not allowed pursuant to Regulations 14.260 and 14.290.
j) Are verification procedures performed to ensure that the debit instrument electronic funds transfers recorded in the cashless wagering system reports did not exceed the daily transfer limit per debit instrument specified in regulation? (190j)			X	As of the date of this checklist, electronic funds transfers are not allowed pursuant to Regulations 14.260 and 14.290.
k) Are verification procedures performed to ensure that the correct amount of slot revenue resulting from wagering account and/or electronic funds transfers and wagering instruments activity (drop and issuances) has been recorded in the accounting records used to prepare the NGC tax return? (190k) Note: Electronic funds transfers are currently not allowed pursuant to Regulations 14.260 and 14.290. Therefore, this standard is currently only applicable to wagering account transfers and wagering instruments activity.				
l) Are all contest/tournament entry and payout forms reconciled to the dollar amounts recorded in the appropriate accountability document? (190l)				

Verified per representation.

Verified per observation/examination.

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Questions	Yes	No	N/A	Comments, W/P Reference
<p>m) When payment is made to the winners of a contest/tournament, are the contest/tournament entry fees collected reconciled to the actual contest/tournament payouts made? (190m)</p> <p>Note: This reconciliation is to determine whether based on the entry fees collected, the payouts made and the amounts withheld by the gaming establishment, if applicable, were distributed in accordance with the contest/tournament rules. (190m)</p>				
<p>127. Monthly, do accounting/audit personnel reconcile gross revenue from the accounting records to the monthly NGC tax returns and the slot analysis report by denomination, is the reconciliation documented and maintained and are all variances reviewed, documented and maintained? (191) For one month review the reconciliation to verify the proper completion of the reconciliation and to determine that the variance amount is accurate. Indicate the month/year reviewed and the results of the review.</p>				
<p>128. At least weekly for each wagering instrument redemption machine, are the wagering instruments and payout receipts redeemed footed and are the totals traced to the totals recorded in the system and the related accountability document? (192)</p>				
<p>129. For licensees that utilize a computerized system that monitors slot fill cabinet door openings and a slot computerized system that initiates a fill form, and as such, only one person is involved in transferring funds from the slot fill cabinet to the slot machine hopper, are the following procedures performed daily:</p>				
<p>a) Is the total dollar amount of slot machine fill forms reconciled to the total dollar amount of transfers recorded on the cage/booth accountability documentation for funds transferred from the cage/booth to the slot fill cabinets? (193a)</p>				
<p>b) Are the appropriate system reports reviewed to confirm that two individuals were involved in placing the funds into the slot fill cabinet as a result of a slot machine hopper fill? (193b)</p>				

Verified per representation.

Verified per observation/examination.

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Questions	Yes	No	N/A	Comments, W/P Reference
130. Monthly, do accounting/audit personnel review all contests, tournaments, promotional payouts, drawings, and giveaway programs to determine proper accounting treatment and proper win/loss computation? (194)				
131. For all contests, tournaments, promotional payouts (including payouts resulting from computerized player tracking activity), drawings, and giveaway programs is the following documentation maintained:				
a) Copies of the information provided to the patrons describing the contests, tournaments, promotional payouts, drawings and giveaway programs (i.e., brochures, flyers)? (195a)				
b) Effective dates? (195b)				
c) Accounting treatment, including general ledger accounts, if applicable? (195c)				
132. Monthly, do accounting/audit personnel perform procedures (e.g., interviews, review of payout documentation, etc.) to ensure that promotional payouts, drawings and giveaway programs are conducted in accordance with the conditions provided to the patrons? (196)				
133. For computerized key security systems controlling access to the slot drop and count keys, do accounting/audit personnel, independent of the system administrator, perform the following procedures:				
a) Daily, is the report generated by the computerized key security system that indicates the transactions performed by the individual(s) that adds, deletes, and changes user's access within the system (i.e., the system administrator) reviewed to determine whether the transactions completed by the system administrator provide an adequate control over the access to the slot drop and count keys and to determine whether any slot drop and count key(s) removed or returned to the key cabinet by the system administrator was properly authorized? (197a)				

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Questions	Yes	No	N/A	Comments, W/P Reference
b) For at least one day each month is the report generated by the computerized key security system that indicates all transactions performed reviewed to determine whether any unusual slot drop and count key removals or key returns occurred? (197b)				
c) At least quarterly are a sample of users that are assigned access to the slot drop and count keys reviewed to determine that their access to the assigned keys is adequate relative to their job position? (197c)				
d) Are all noted improper transactions or unusual occurrences investigated with the results being documented? (197d)				
134. Is a quarterly inventory of all count room, drop box release, storage rack and contents keys performed and reconciled to records of keys made, issued, and destroyed and are investigations performed for all keys unaccounted for with the investigation being documented? (198)				
135. At least annually do accounting/audit personnel recalculate the floor par for a sample denomination to ensure the accuracy of the floor par report? (199)				
136. Is documentation (e.g., a log, checklist, notation on reports, and tapes attached to original documents) maintained evidencing the performance of slot audit procedures, the exceptions noted and any follow-up of all slot audit exceptions? (200) Verify by examination.				
137. Has the licensee installed an "On-Line Slot Metering System" and/or a cashless wagering system approved by the Board pursuant to Regulation 14 Technical Standard 3; or has the licensee installed a Board-approved cashless wagering system that is capable of obtaining meter information directly from the slot machines? If yes, complete the "CPA MICS Compliance Checklist" for "On-Line Slot Metering Systems".				

Verified per representation.

Verified per observation/examination.

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Questions	Yes	No	N/A	Comments, W/P Reference
<u>Record Retention</u>				
138. Are all documents, including computer storage media, discussed in the slot standards retained for 5 years in accordance with Regulation 6.060 except for slot machine wagering instruments which must only be retained for a minimum of 90 days if all the information on the wagering instrument is contained on a separate report and the wagering instruments do not contain the signature of the verifier, or other evidence of internal control procedures having been performed? (201a-b)				
<u>Payout Procedures for Mail-In Slot Machine Wagering Vouchers/Payout Receipts</u>				
139. Do accounting/audit personnel or personnel independent of the slot department receive the original wagering vouchers/payout receipts? (202)				
140. Do accounting/audit personnel or personnel independent of the slot department record the wagering/payout receipts on a log as a mail pay and does the log include the date received, the patron's name, the wagering voucher/payout receipt number and the dollar amount? (203) Verify by examination.				
141. Are the wagering vouchers/payout receipts entered into the computer system for validation and then cancellation as a mail pay? (204)				
142. Do accounting/audit personnel compare the "paid" wagering vouchers/payout receipts to the mail pay log and the system report for paid wagering vouchers/payout receipts and are any discrepancies documented and reviewed with slot and accounting management personnel? (205)				
143. Do accounting/audit personnel independent of the individual that processed the mail pay wagering voucher/payout receipt review the patron's correspondence submitted, the wagering voucher/payout receipt, the mail pay log and the system report for "paid" wagering vouchers/payout receipts for any discrepancies and are any discrepancies documented and resolved prior to remitting the proper payment amount to the patron? (206)				

Verified per representation.

Verified per observation/examination.

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Questions	Yes	No	N/A	Comments, W/P Reference
<u>Written System of Internal Control</u>				
144. Has the licensee's written system of internal control for slots, been re-read prior to responding to the following question?				
145. Does the written system of internal control for slots reflect the actual control procedures in effect for compliance with the MICS, variations from the minimum internal control standards approved pursuant to Regulation 6.090(8), and Regulation 14 associated equipment approvals? [Regulation 6.090(13)]				

Verified per representation.
Verified per observation/examination.